

APPROVED January 27, 2010



Summarized Minutes

City Council Subcommittee on Water Issues
Wednesday, September 23, 2009, 1:00 p.m.
Kiva Conference Room, City Hall
3939 N. Drinkwater Boulevard
Scottsdale, AZ 85251

Call to Order – 1:05 p.m.

Roll Call

Present **Chairman, Robert Littlefield**
 Vice Mayor, Ron McCullagh
 Councilwoman, Lisa Borowsky

1. Approval of minutes from the June 24, 2009 Meeting.

Motion to Approve: Councilman McCullagh
Second: Councilwoman Borowsky
Motion passed

Approval of Executive Session minutes from the June 24th, 2009 Meeting.

Motion to Approve: Councilman McCullagh
Second: Councilwoman Borowsky
Motion passed

2. Updates:

a. AZ Water Reuse Conference 2009

Chairman Littlefield reported that he attended the 2009 AZ Water Reuse Conference on July 30-31, 2009 and was pleased to hear positive comments on City of Scottsdale reuse for golf course irrigation.

b. SRP Well Relocation at Water View Project

Mr. Brown presented an aerial map to show the exact location and explained that SRP was voluntarily working with the community to minimize the impacts of this well relocation project. Mr. Brown reported that the well installation would take about 6 weeks (site construction would be even longer) and that the main topic of discussion

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PERSONS WITH A DISABILITY MAY REQUEST A REASONABLE ACCOMMODATION BY CONTACTING THE WATER RESOURCES DEPARTMENT (480-312-5685). REQUESTS SHOULD BE MADE 24 HOURS IN ADVANCE, OR AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE ACCOMMODATION. FOR TTY USERS, THE ARIZONA RELAY SERVICE (1-800-367-8939) MAY CONTACT THE WATER RESOURCES DEPARTMENT (480-312-5683).

related to this project is the need to drill 24 hours a day for the duration of the well installation. Mr. Brown assured the Subcommittee that COS staff from Water Resources, Transportation, Planning and Neighborhood Services are in constant contact with SRP regarding their public outreach efforts.

c. City of Phoenix water line alignment in south Scottsdale

Mr. Brown reported that this is a COP project to enhance their water system by installing a water line from the COP reservoir located at 56th Street and Thomas Road. Several alignments both on Thomas Road and through the neighborhoods have been looked at and will be discussed at a Public meeting scheduled on October 26, 2009.

Chairman Littlefield asked Mr. Brown to send him an update after the meeting.

d. System Optimization

Mr. Brown reported that the System Optimization project would be a 1 to 2 year undertaking funded by the enterprise fund and will come to council for its consideration late 2009 or early 2010. The 2 phase project starts with updates to the hydraulic models in the collection and distribution system and goes on to facilitate controls specific to the COS system which will allow operators to operate specific facilities within the system.

Mr. Brown also reported that on a parallel track WR is looking at taking advantage of rebate programs available through our energy and power providers and create additional efficiencies in the process.

3. Provide an update to the Subcommittee and receive possible direction regarding North Indian Bend Wash/Miller Road Treatment Facilities Long Term Measures - Marshall Brown, Water Resources GM

Mr. Brown gave to the Subcommittee members copies of two letters that were received on September 22, 2009: one from EPA and one from ADEQ. Mr. Brown stated that in previous correspondence to these agencies the COS specified conditions we felt were critical in order to cooperate with this long term remedy process. One of the conditions the COS stressed was that we did not want to have additional regulatory requirements placed on the COS systems, and specifically the CGTF.

Mr. Brown reported that in the recent correspondence from the EPA, the agency has indicated that it would like to see documentation from COS on additional blending at the CGTF. Mr. Brown stated that blending has not been utilized at the CGTF as a means of lowering TCE concentration nor is blending feasible due to seasonal demand limitations. Air stripping is used at the CGTF to remove all TCE prior to the water being introduced into the distribution system. Mr. Brown suggested that although the COS could recoup the costs of this activity by back billing the PC's, the City's reputation would be at risk anytime there was a misunderstanding as to any additional regulatory controls.

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Mr. Brown reported that a meeting was scheduled for October 6, 2009, with USEPA, SRP and ADEQ to discuss these new expectations. The City will emphasize that we view our participation as a partner assisting with the issues and the remedy and that we are not volunteering for additional requirements to be passed on or enforced upon the COS as a responsible party. Mr. Brown explained to the Committee that there has been some staff turnover in USEPA (including the project manager) which has complicated the situation. If staff cannot resolve the specific issues outlined in the correspondence to COS, all the participants will need to reconvene to discuss moving forward with a different long term plan.

4. Chair, Subcommittee Member and Interested Party Comments

Vice Mayor McCullagh asked if there has been any discussion about the MRTF. Mr. Brown said that EPA has suggested the contingency plans for all the multiple NIBW facilities, including the MRTF, be re-opened and reassessed as to including some additional requirements. Mr. Brown went on to explain that although the original intent was to protect the drinking water systems and accomplish the remedy, the agencies are now indicating that the parties need to do more. If the long term remedy does not move forward, all the parties involved will need to re-assess their positions on how to resolve these issues.

Richard Alt (Scottsdale citizen, customer of AZ American and representing S.W.A.T.) stated that we need to discuss PCX-1 because the water is currently being dumped into the canal and wasted since AZ American disconnected it. Mr. Alt also stated that reconstructing new lines would be redundant and costly to the customers.

Vice Mayor McCullagh stated that AZ American should once again accept PCX-1 water so that these issues would not exist.

Paul Townsley, President of AZ American Water Company said the water from PCX-1 is SRP's water. He reported that AZ American accepted the PCX-1 water to accommodate the Superfund project, and when AZ American made the decision to no longer be part of the Superfund project, it was because it no longer wanted to take on Motorola's responsibilities.

Councilwoman Borowsky asked if there is any way to compel AZ American to take back the PCX-1 water. She went on to say that the idea of wasting that water is very troublesome to all and asked if there is anything legally that the COS can do about it. Councilwoman Borowsky expressed her frustration that while she knows the Superfund situation is nobody's fault, the change in circumstances has resulted in the waste of water, and it was AZ American who changed the circumstances. Councilwoman Borowsky asked if COS has analyzed this from a legal perspective to see if there are any other alternatives and indicated that she understands that we don't have the capability of capturing this water since AZ American is the only one that can do it. Mr. Brown stated the infrastructure to do this does not exist right now but that this has been discussed as part of the long term plan along with a possible treat and transport



agreement with AZ American whereby the City would treat the company's surface water so it can reduce its pumping. Mr. Brown stated that all of these suggestions are challenging, and, even if these hurdles disappear, this could potentially be a 2-3 year solution. His preference would be to use the PCX-1 water locally in the interim until we come up with a solution.

Councilwoman Borowsky asked if there is an opportunity for City employees to operate the PCX-1 facility to salvage the waste that's occurring in the interim and indicated that she understands that this is probably a liability issue but that this is a unique situation that needs to be addressed.

Mr. Brown said EPA would not allow this because it does not want the water going back into the system. Mr. Brown suggested an option would be to approach this from a political standpoint and to elevate the discussion by sending an official letter from the Mayor or Council to the EPA, Congressman Mitchell, and Senator Kyl and suggesting that this matter requires immediate action.

Councilwoman Borowsky thought this was a good idea or at least to begin exploring the pros and cons of such an intervention.

Chairman Littlefield asked Mr. Brown to start working on that and to report the outcome of the October 6th meeting between the City, EPA, ADEQ & SRP.

5. Request For Executive Session For:

Discussion and consultation with attorneys of the public body for legal advice; discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, and pending or contemplated litigation; discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, all of which purposes pertain to the possible acquisition of Arizona American Water Company assets. A.R.S. Sec. 38-431.03(A)(3), (4), and (7).

6. Motion to Recess into Executive Session To:

Discuss and consult with attorneys of the public body for legal advice; discuss or consult with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, and pending or contemplated litigation; discuss or consult with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, all of which purposes pertain to the possible acquisition of Arizona American Water Company assets. A.R.S. Sec. 38-431.03(A)(3), (4), and (7).



Motion: Councilman McCullagh
Second: Councilwoman Borowsky
Motion carried

7. Adjourn to Executive Session – 2:06 p.m.

8. Adjourn

Motion: Councilman McCullagh
Second: Councilwoman Borowsky
Motion carried, and the meeting adjourned at 2:50 p.m.

Please note: Council members not on the Subcommittee may elect to attend these meetings for their own information. The meetings are not considered City Council meetings, however, even if the members attending constitute a quorum. No legal action will be taken by the City Council at any of these Subcommittee meetings.

